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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

B
92-2275

(Mark One)

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended March 31, 1992

Or

____ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from _____ to _____

Commission file number 0-15318

Ballistic Recovery Systems, inc.
(Exact name of registrant as specified in its charter)

Minnesota	41-1372079
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification number)

Registrant's telephone number, including area code (612) 457-7491

Former address: 9905 Hayward Way, So. El Monte, CA 91733

Indicate by check mark whether registant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act og 1934 during the preceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such fliing requirements for the past 90 days.

Yes X No ____

Number of registrant's $.01 par value common shares outstanding at May 27, 1992:

3,530,368

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PART I. FINANCIAL INFORMATION

The financial statements reflect all adjustments consisting of normal recurring accruals, which the Company considers necessary for a fair presentation of the results for the indicated periods.

Items 1. Financial Statements

Incorporated herein is the following unaudited financial information:

Balance Sheet as of March 31, 1992 and September 30, 1991.

Statement of Operations for the Three Months and Six Months Ended March 31, 1992 and 1991.

Statement of Cash Flows for the Six Months Ended Marchh 31, 1992 and 1991.

Notes to Financial Statements.

BALLISTIC RECOVERY SYSTEMS, INC.
COMPARATIVE BALANCE SHEETS
(UNAUDITED)

	MARCH 31, 1992	SEPTEMBER 30, 1991
ASSETS		
Current assets:		
Cash and cash equivalents	$56,428	$189,513
Accounts receivable - net	130,099	366,605
Inventories	177,666	410,870
Prepaid expenses	42,551	47,376
Total current assets	406,744	1,014,364
Property and equipment - net	359,409	377,277
Other assets	175,437	9,259
Total assets	$941,590	$1,400,900
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$35,400	$21,886
Accounts payable	98,823	207,273
Customer deposits	21,326	28,703
Accrued payroll	3,576	74,981
Other accrued liabilities	179,621	76,502
Total current liabilities	338,746	409,345
Long-term debt - net of current portion	341,676	361,355
Negative goodwill - net	-	127,655
Total liabilities	680,422	898,355
Shareholders' equity:		
Common stock ($.01 par value; 10,000,000 shares authorized; 3,530,368 shares outstanding)	35,304	35,304
Undesignated shares (15,000,000 authorized, no shares outstanding)	-	-
Additional paid-in capital	2,454,735	2,454,735
Accumulated deficit	(2,228,871)	(1,987,494)
Total shareholders' equity	261,168	502,545
Total liabilities and shareholders' equity	$941,590	$1,400,900

The accompanying notes are an integral part of the financial statements.

BALLISTIC RECOVERY SYSTEMS, INC.
COMPARATIVE STATEMENT OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,		Six Months Ended March 31,	
	1992	1991	1992	1991
Sales	$358,103	$282,674	$490,691	$502,622
Cost of sales	(200,623)	(241,311)	(367,314)	(390,069)
Gross profit	157,480	41,363	123,377	112,553
Selling, general and administative expenses	(76,339)	(114,538)	(135,256)	(187,649)
Reasearch & development	(20,750)	(2,831)	(63,006)	(6,966)
Income (loss) from operations	60,391	(76,006)	(74,885)	(82,062)
Other income (expense):				
Interest income	(2,447)	524	628	746
Interest expense	(7,954)	(5,219)	(21,690)	(10,634)
Other income - net	1,425	3,119	1,425	6,593
Income (loss) from continuing operations	51,415	(77,582)	(94,522)	(85,357)
Discontinued operations (Note 2):				
Income (loss) from operations of disc Paranetics Division	(180,944)	5,162	(244,330)	65,777
Gain on disposal of Paranetics Division	97,475	-	97,475	-
Total disc operations	(83,469)	5,162	(146,855)	65,777
Net income (loss)	($32,054)	($72,420)	($241,377)	($19,580)
Income (loss) from continuing operations per share	$0.01	($0.02)	($0.03)	($0.02)
Net income (loss) per share	($0.01)	($0.02)	($0.07)	($0.01)
Weighted average number of shares outstanding	3,530,368	3,530,368	3,530,368	3,482,433

The accompanying notes are an integral part of the financial statements.

BALLISTIC RECOVERY SYSTEMS, INC.
STATEMENT OF CASH FLOWS
(UNAUDITED)

	Six Months Ended March 31, 1992	1991
Cash flow from operating activities:		
Net income (loss)	($241,377)	($19,579)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation & amortization	15,170	13,688
Amortization of negative goodwill	-	(27,358)
Gain on disposal of equipment	-	(200)
Gain on disposal of Paranetics Division	(97,475)	-
Common stock issued as compensation	-	46,675
Change in current assets and liabilities:		
Accounts receivable	162,406	85,571
Inventories	(25,748)	85,523
Prepaid expenses	(7,725)	(48,916)
Accounts payable	(34,776)	(45,551)
Customer deposits	(7,377)	5,247
Accrued payroll	(42,228)	(34,797)
Other accrued expenses	145,841	(13,228)
Net cash provided by (used in) operating activities	(133,289)	47,075
Cash flow from investing activities:		
Purchase of equipment	(18,633)	(1,200)
Purchase of other assets	-	(4,066)
Proceeds from sale of equipment	-	200
Sale of Paranetics Division (net of cash received)	191,880	-
Notes receivable from sale of Paranetics	(166,879)	-
Net cash provided by (used in) investing activities	6,368	(5,066)
Cash flow from financing activities:		
Principal payments on debt	(6,164)	(9,211)
Net cash provided by (used in) financing activities	(6,164)	(9,211)
Increase (decrease) in cash	(133,085)	32,798
Cash-beginning of year	189,513	14,603
Cash-end of year	$56,428	$47,401

The accompanying notes are an integral part of the financial statements.

BALLISTIC RECOVERY SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

1. Basis of Presentation

The financial statements as of March 31, 1992 and for the three month and six month periods ended March 31, 1992 and 1991 have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and accounting policies and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Although the Company believes that the disclosures are adequate to make the information presented not misleading, it is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's latest annual report on Form 10-K.

2. Sale of Paranetics Division

on April 23, 1992, the Company entered into an agreement with an effective date of February 29, 1992, for the sale of the Company's parachute manufacturing division, Paranetics, to Joseph R. Little ("Little"), a former executive and director of the Company. Under terms of the sale, the Company received $103,443.67 for the net assets of the division, represented by a cash payment of $11,564.20 and a promissory note for $91,879.47 (the "Note"). In addition, the Company received $100,000 for purchase agreements to sell parachutes to third parties to which Paranetics is a party, payment of which is in the form of future purchase discounts (the "Discounts").

The Note will be secured by the inventory of Little and will accrue interest at an annual rate of 6% until March 1, 1993, at which time Little becomes obligated to make twenty-four monthly payments of $4,316.48 each. Little has the option to repay the Note in cash or by the return of Company stock or stock options held by Little. The Discounts will be applied to future parachute purchases from Little by the Company at a rate of 5% for a period not to exceed five years.

Mutual Covenants of Noncompetition were entered into as part of the sale and will remain in force for so long as the Company purchases at least 65% annually of its parachutes from Little.

The comparative statement of operations has been restated to reflect the effects of discontinued operations for enhanced comparability between periods. Revenues from the Paranetics Division were $44,986 and $427,387 for the three months ended March 31, 1992 and 1991, respectively, and $308,642 and $1,184,096 for the six months ended March 31, 1992 and 1991, respectively.

3. Other Financial Information

Inventories by major classification are:

	March 31, 1992	September 30, 1991
Raw Materials	$137,686	$318,564
Work-in-Progress	36,380	83,995
Finished Goods	3,600	8,311
Total	$177,666	$410,870

The following provides additional information concerning supplement disclosures of cash flow activity:

	Six months ended March 31, 1992	1991
Cash paid for interest	$13,036	$15,509

4. Computation of Per Share Data

The per share computation is based on the weighted average number of shares outstanding during the period.

ITEM 2. Management's Discussion: Analysis of financial condition/ Results of Operations

As a result of the divestiture of the Parasetics division in California midway through this second quarter, same period last year operations results will compare only Sport Aviation divisions.

Sales for the three months ended March 31, 1992 increased $73,429, an increase of 27%. Sales for the same period last year in Sport Aviation were $282,674. This increase in revenues resulted from higher production efficiencies, and better product marketing and sales efforts.

Gross profit rose dramatically, from 15% in the 2nd quarter 1991, to 44% in second quarter 1992. This increase in gross profit resulted from further cost cutting in materials and labor.

Significant changes in net profits also occurred, with second quarter 1992 results showing a net profit of $51,415, compared to a loss of $77,582 for the same period in 1992 as a result of streamlining of corporate overhead.

TOTAL OPERATIONS

For the three month period ending March 31, 1992, selling, general and administrative expenses decreased by $38,199 from 2nd qtr. 1991. This decrease was due to elimination of excess middle and upper management positions, and the consolidation of selling efforts.

Research and development expenses for the quarter, specifically the GARD program, increased from $2,831 in 1991, to $20,750 in 1992. This increase resulted from the full resumption and acceleration of the FAA certification processes necessary for obtaining FAA approval to sell the GARD system to certificated aircraft.

LIQUIDITY AND CAPITAL RESOURCES:

For the six months ending March 31, 1992, the company decreased its cash balances by $133,865. This decrease was the result of two factors:1) the increase in GARD expenditures of $63,000, and 2) poor operating results from the divested Parasetics division, requiring significant operations funding up until the time of the divestiture.

The sale of the Parasetics division resulted in a financial statement gain. The proceeds took the form of Notes Receivable and only $11,000 in cash. Although not a cash transaction, there should be a significant increase in future cash flows as a result of the elimination of that division's past operating losses.

OTHER INFORMATION:

On February 28,1992, BRS formally divested itself of the California based Paranetics division. The buyer in the transaction was the former CEO and board member Joseph E.Little, of Los Angeles, CA. This new company has entered into a vendor agreement that will supply BRS with various parachute canopies and other soft goods for a specified period of time at competitive market prices.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of the Shareholders

The Company's 1991 Annual Meeting was held on March 27, 1992. At the meeting, the following were elected as directors: Thomas H. Adams, Jr., Darrel D. Brandt, Robert J. Keyport, Ronald J. Niccum and Boris Popov.

The other matter voted on and approved was to increase the number of shares subject to the 1988 nonqualified stock option plan from 200,000 to 400,000.

Item 6. Exhibits and Reports on Form 8-K:

(a) Exhibits

None

(b) Reports on Form 8-K

A current report on Form 8-K dated May 7, 1992 was filed reporting under Item 2 that the Company had entered into an agreement for the sale of the Company's parachute manufacturing division, Paranetics, to Joseph R. Little, a former executive of the Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BALLISTIC RECOVERY SYSTEMS, INC.

By _____
Boris Popov
Chairman of the Board

Dated May 27, 1992